

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Revised
Amendment to: HB 1180

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$9,300		
Expenditures				\$25,000		
Appropriations				\$25,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties		\$(5,500)	
Cities		\$(3,125)	
School Districts			
Townships		\$(675)	

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill was introduced to allow for "sports cars" with a retail value of \$110,000 or greater to be exempt from the provisions of law requiring a license plate on the front of the vehicle.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill replaces the requirement that "sports cars" with a retail value of \$110,000 or greater be required to display two license plates, one on the front and one on the back of the vehicle. The bill will allow for "sports cars" to display a single plate on the back of the vehicle. This bill will result in one time programming costs, very minor on-going reductions in costs for license plates and postage, and a change in the revenues available for distribution through the Highway Tax Distribution Fund. This change will impact approximately 103 vehicles (units) per year.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Since the motor vehicle division is funded "off the top" of motor vehicle revenues before such revenues are distributed through the Highway Tax Distribution Fund, the Motor Vehicle revenue reduction will be the same as their corresponding reduction in costs.

The net amount of the change in revenues over the change in expenditures is allocated through the Highway Tax Distribution Fund to NDDOT (61.3%, counties (22%), cities (12.5%), townships (2.7%), and transit (goes to NDDOT) (1.5%).

The amounts shown in Section 1A are a composite of the amounts impacting the Motor Vehicle Division of NDDOT (off the top), the 61.3% NDDOT Highway Tax distribution, and the 1.5% transit Highway Tax distribution.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NDDOT Motor Vehicle Division will incur one-time costs of approximately \$25,000 for computer programming costs.

License plate costs will reduce approximately \$1.70 per unit issued. Postage costs will decrease approximately \$.57 per unit issued from the central office. However, since license plates are distributed only when a vehicle is first registered, a new or replacement plate is issued, or when a general plate issue occurs, plate issuance for these type of vehicles will be a very infrequent occurrence. Consequently the related costs would be extremely minor. Because of this they will be ignored for purposes of this analysis.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The NDDOT Motor Vehicle Division will incur a one time increase in expenditures of \$25,000 for the 2019-2021 biennium. Accordingly, the division would need an corresponding increase in appropriations for that biennium.

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Date Prepared: 01/10/2019